

**TOWN OF PRESCOTT VALLEY
REQUEST FOR COUNCIL ACTION
Date: September 23, 2010**

SUBJECT: YRMC Donation Utilizing NCU Annual Surcharge Tax Proceeds

SUBMITTING DEPARTMENT: Management Department

PREPARED BY: Ryan Judy, Deputy Town Manager for Larry Tarkowski, Town Manager

AGENDA LOCATION: Comments/Communications , Consent , Work/Study ,
New Business , Public Hearing , Second Reading

ATTACHMENTS: 1) Letter from Clinton Gardner, 2) NCU Development Agreement Excerpt (Full Agreement Available from Town Clerk's Office)

SUMMARY BACKGROUND: On March 25, 2004, the Town entered into a development agreement with NorthCentral University for the location of its new facility, including extension of a road and utilities to the site.

As part of the development agreement, NorthCentral is required to submit to the Town quarterly a \$2 surcharge per course enrolled. The agreement states the Town and NCU shall decide mutually how best to program these funds.

Per the attached letter, NCU would like half of the proceeds of this year's allocation to go toward Yavapai Regional Medical Center's new Breast Cancer Center which expects to break ground in October, 2010. During the Council Work Study on September 2, 2010, Council members commented favorably re this allocation. Rather than waiting for actual receipts from NCU and passing them on to YRMC as they come in (and, due to the importance of helping the Breast Cancer Center move forward), staff is proposing advancing \$25,000 (half of the estimated annual proceeds from the surcharge).

Use of the anticipated remaining \$25,000 was also discussed. Council members commented favorably about directing those funds to a marketing campaign for Prescott Valley's higher educational institutions (NCU, NAU-Yavapai, and Yavapai College). However, this particular Council action is strictly limited to making the YRMC donation.

OPTION ANALYSIS: Council may approve this donation to YRMC or direct staff to negotiate a different use of proceeds with NCU.

ACTION OPTION: Motion to approve a donation of \$25,000 to Yavapai Regional Medical Center's new Breast Cancer Center, **OR** Motion not to approve said donation. VOTE.

RECOMMENDATION: Staff recommends approval of this donation.

FISCAL ANALYSIS: The Town anticipates receiving approximately \$50,000 from the proceeds of the NCU surcharge in FY 2010-11. Revenue from this surcharge was budgeted in the Library Building Fund but was not allocated for any particular purpose. Since this \$25,000 donation was not budgeted, staff is proposing to utilize the General Fund contingency account and transfer an equal amount from the Library Building Fund to cover this expense.

REVIEWED BY:

Management Services Director _____ Town Clerk _____

Town Attorney _____

Town Manager _____

COUNCIL ACTION:

Approved Denied Tabled/Deferred Assigned to _____